

A cultural analysis of effective leadership styles: A small-scale study in Laos

Susanne Böhlich susanne.boehlich@iu.org

Clare Hindley clare.hindley@iu.org

IU International University of Applied Science, Bad Honnef, Germany

Antje Kinder antje.kinder@sparkassenstiftung.de

Sparkassenstiftung

Abstract

This study focuses on leadership behavior and builds on the conclusions of previous research showing that culture has a significant impact on social expectation and the effectiveness of leadership. The focus of the analysis is Laos, a country not explicitly highlighted in earlier cultural analyses on cultural practices and leadership styles such as Hofstede and the GLOBE Project and correspondingly little literature exists on leadership behavior in Laos. Laos, with a population of around 7 million, bordering Thailand and Vietnam nevertheless differs significantly from its neighbors, notably in terms of education level, and productivity.

The study endeavors to fill this research gap and provide insights into Laos culture and effective leadership styles based on the GLOBE Project's comparative culture studies for other Southeast Asian countries. The most effective leadership styles for management in Laos were predicted with reference to the Culturally Endorsed Implicit Leadership Theory identified in the GLOBE studies. The analysis was supplemented by a review of the limited existing literature on leadership in Laos showing charismatic/value-based, humane-oriented, and team-oriented leadership styles (according to the GLOBE definition) as contributing to effective leadership.

Primary data was collected via a survey of 24 male and female Lao leaders (approx. 30% of the employees) by a researcher working with a microfinance organization in Laos to improve leadership competencies. The data was analyzed to establish leadership competencies beneficial to the organization. The study supports the findings of the literature review in recommending the 'charismatic/value-based' leadership style to lead effectively in this cultural context. Leaders should trust the team to achieve demanding goals, consider ethical perspectives and communicate an inspiring vision. The degree of participation desired by the employees varied, with the majority expecting their opinions to be included in decisions.

In summary, this small-scale study shows through the example of a microfinance organization in Laos, that a cultural analysis and the culturally endorsed leadership theory can be beneficial in the establishment of effective leadership styles.

Keywords:

Laos, leadership, leadership behavior, culture

1. Introduction

This study identifies the need to approach leadership from various cultural contexts with a small study in Laos. The paper analyses leadership theories asking to what extent these models predominantly developed in the "Western world" especially the USA (Barkema et al., 2015) are appropriate, expected, desired and evident in the Laos context. Empirical studies of these theories have only in recent decades also been conducted in Asia, albeit mostly in developed Asian countries with a large population. The research question is often limited to whether Western leadership models are applicable in Asia (Atwater et al., 2021) and cultural differences have usually not been considered in the design of the research, nor analyzed (Atwater et al., 2021). There are few studies available including Laos, hardly any studies limited to Laos, and Laos is not included in any of the cross-cultural studies such as Hofstede (2010) or the GLOBE Project (2006, House et al, 2014). Diverse leadership styles are however clearly evident in Laos (Kim et al, 2016, Pratt & Yongvanit, 2016; Vongphanakhone, 2014). This paper aims to contribute to reducing the research gap on leadership in Laos by identifying effective leadership styles.

This study uses the GLOBE study as a theoretical base, also well aware of the need to approach the research from a local context perspective. The GLOBE Project (2006) leadership styles used in this research are:

- **Charismatic/value-based** - the ability to inspire, motivate, and expect high performance from others based on firmly held core values.
- **Team-oriented** - effective team building and the implementation of a common purpose or goal among team members.
- **Participative** – involvement of others in decision making and implementation.
- **Humane-oriented** - supportive and considerate leadership including compassion and generosity.
- **Autonomous Leadership** - independent and individualistic leadership characteristics.
- **Self-protective** - ensuring individual and group safety through status enhancement and face saving.

The research aim is to establish leadership styles fitting the ideal of leadership in Lao culture. The research questions are as follows:

1. Which leadership styles are used, and which are expected?
2. What degree of participation is practiced and what is expected?

Since little is known about culture and leadership in Laos, and to achieve as objective an analysis as possible, three parallel approaches were taken:

- The limited existing literature on leadership in Laos was analyzed.
- The Culturally Endorsed Implicit Leadership Theory correlations between culture and expected leadership styles identified in the GLOBE studies were used to identify the leadership styles considered effective for Laos.
- An empirical study at a microfinance institution in Laos was conducted.

2. Literature Review

The cultural context of Laos is described, followed by an analysis of culture and leadership before focusing on the GLOBE study as a potential framework for the analysis of effective leadership in Laos.

2.1 Analysis of existing literature on leadership in Laos

At the time of this study only four documents could be found and accessed (two articles and two unpublished master's theses) that address similar questions about leadership in Laos.

In the first document (Kim et al., 2016), villagers from six villages describe the leadership behavior of their village head. The second document (Pratt & Yongvanit, 2016) is an informal interview. The people interviewed are employees of INGOs (International Non-Governmental Organizations). Their expectations of leadership may be influenced by working with international leaders or professionals. The research question relates to the meaning of leadership. Responses focus on qualities a leader should have rather than behaviors.

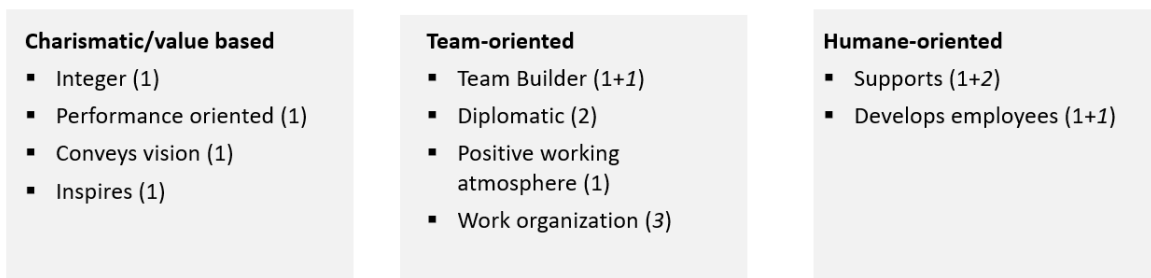
Documents three and four are unpublished master's theses by Lao students. For the purposes of this paper, only the empirical portion of the master's theses will be considered.

The third document (Vongphanakhone, 2014) is significant because the survey was conducted among employees and managers of three Lao banks. Thus, as with the microfinance organization under study, it is the financial sector. The respondents appear to be exclusively Lao. The master's thesis suggests that Lao managers' understanding of terms such as "empowerment" differs from the understanding in Western cultural contexts, as contributing employees' opinions is already considered "empowerment."

The fourth document (Ngongvorolath, 2019) focuses on employees and managers of INGOs. The nationalities of the interviewees are not given. Based on the common practice of INGOs to hire country directors from the country where the INGO is headquartered, it can be assumed that the executives belong to other nationalities. In this respect, the question arises whether employees' expectations of their managers are influenced by this.

Documents 1, 3 and 4 deal with the leadership styles practiced. Fig. 1 summarizes the results from the literature analysis. The numbers in parentheses indicate how often aspects of the leadership style are mentioned in the text. In each case, the italicized numbers refer to aspects from the document with interviewees who may not have a purely Lao background (Document 4).

Figure 1 Result of the literature analysis: Practiced leadership styles in Laos.



Source: Author based on Kim et al., 2016, S. 7; Ngongvorolath, 2019, S. 75-80; Vongphanakhone, 2014, S. 55-56.

Lao leaders use team-oriented, humane-oriented, and charismatic/value-based leadership styles. Autonomous and Self-protective leadership styles are not practiced according to the literature. Inclusion or exclusion of document 4 does not change the result.

Expected leadership styles are included in documents 1, 2, and 3. The result of the coding is summarized in Fig. 2. Overall, attributes of the charismatic/value-based leadership style are

expected most often, followed by the team-oriented and humane-oriented leadership styles. An aspect of Self-protective leadership style is mentioned only once with negative connotations (Document 2, Pratt & Yongvanit, 2016) by INGO employees. The "integrity" aspect was mentioned by far the most. The autonomous leadership style is neither expected nor practiced in Laos, according to the literature reviewed.

Figure 2 Result of the literature analysis: Expected leadership styles in Laos

Charismatic	Team-oriented	Humane-oriented	Self-protective
<ul style="list-style-type: none"> ▪ Integer (5+4) ▪ Role model (2+1) ▪ Determined (1+2) ▪ Visionary/Change Agent (1+1) ▪ Motivating (1) ▪ Sacrificial (1) 	<ul style="list-style-type: none"> ▪ Teamwork/good working atmosphere (4) ▪ Problem solving (1+2) ▪ Good communication (1+2) ▪ Takes responsibility (1+1) ▪ Administratively competent (1) 	<ul style="list-style-type: none"> ▪ Employee development/support (3+1) ▪ Listening (1+1) ▪ Understanding (1) ▪ Patient (1) ▪ Friendly (1) 	<ul style="list-style-type: none"> ▪ Indirect communication (1)

Source: Author based on Kim et al., 2016, S. 7, 9; Pratt & Yongvanit, 2016, S. 67, 69-72; Vongphanakhone, 2014, S. 54-55, 62, 78-80.

Only two of the four documents (Document 1 and 3) provide information on both the currently practiced degree of participation and the expected degree of participation.

The types of participation mentioned in document 1 are the comprehensibility of the village head's decisions on the basis of transparent decision criteria, asking the villagers for their opinion before the decision is made, and also a joint decision with the village head.

In particular, in the case of the banks surveyed (Document 2), it is the leaders who tend to make the decisions. In a questionnaire, about 60% of bank employees answered that their manager often or always makes decisions and 47% said that they are asked for their opinion before making a decision (Vongphanakhone, 2014). The reason may be in the financial sector, which is more regulated than other sectors. Another possible explanation is that banks are purely Lao organizations without foreign influence.

According to descriptions in document 4, participation is experienced in INGOs - also in the form of delegation. However, it is not clear from the document to what extent employees are satisfied with this management style.

Regarding expected participation, the documents provide the following insights: In particular, respondents from villages where village leaders have taken advantage of the position want decisions to be made collectively. Notable is that according to Document 1 of the six village leaders, two have misappropriated resources and engaged in nepotism. Naturally, villagers' perceived leadership behavior may differ from actual leadership behavior (Kim et al., 2016).

According to Document 3, the survey of the three banks, the majority of employees (85%) want to be involved in decisions (Vongphanakhone, 2014). Expectations of the level of participation are not discussed in Document 4.

2.2 Culture and Leadership

Since little is known about leadership in Laos beyond the literature discussed above, the Culturally Endorsed Implicit Leadership Theory is here used as a foundation. This leadership theory derives effective leadership styles for a country from its culture and is one of the newer approaches to leadership theories (Rybnikova & Lang, 2021).

The evaluation of leaders is influenced by implicit leadership theories, i.e. beliefs and assumptions about the characteristics of effective leaders. These theories are also influenced by shared beliefs and values about leaders in the organizational culture and the national culture (Yukl & Gardner, 2019; Shondrick, Dinh & Lord, 2010) Employees compare their perceptions of leadership to their expectations, experiences, or ideals. Perceptions involve both behaviors and characteristics of the leader (Bass & Bass, 2008; Lippold, 2021; Oechsler & Paul, 2019; Rybnikova & Lang, 2021; Stock-Homburg & Groß, 2019). This comparison may occur consciously or unconsciously. Insofar as employees partially observe the desired behaviors of their ideal leader, it is possible that they attribute additional characteristics or behaviors to the leader that match their ideals. (Foti et al., 2017; Lord et al., 2020).

If the manager meets the expectations of the employees there will be a positive impact on the manager/employee relationship and acceptance as a manager by employees. A negative deviation affects the manager-employee relationship. Positive deviance is not addressed by Implicit Leadership Theory (Lord et al., 2020; Stock-Homburg & Groß, 2019).

The Implicit Leadership Theory has been criticized for implying the leader has no influence on leadership success as leadership is dependent on employee perceptions. However, leaders can act on two levels: Firstly, they can change leadership behavior, and secondly, they can also discuss expectations with employees (Lippold, 2021; Oechsler & Paul, 2019).

The Culturally Endorsed Implicit Leadership Theory is based on the premise that culture influences employees' expectations and ideals of the leader. Accordingly, expectations and ideals differ by culture (Lord et al., 2020; Stock-Homburg & Gross, 2019). There is no single definition for culture (Utler, 2021), however, in the context of this paper the definition of the GLOBE study is adopted:

“Culture is defined as shared motives, values, beliefs, identities and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations” (GLOBE 2020, 2020).

2.3 The GLOBE Study & Laos

The GLOBE Study is a large-scale project on cultural practices, leadership ideals, and general and interpersonal trust in 150 countries in collaboration with nearly 500 researchers (GLOBE Project 2006, House et al, 2014). Laos has so far not been included in the GLOBE study and although such cultural studies have been criticized as ‘pigeon-holing’ national cultures (McSweeney, 2002), the tendencies shown are considered both useful and relevant in creating a theoretical foundation for the study which primary data and analysis can build upon. The following attempts to relate the GLOBE cultural comparison study to Laos culture with the aim of developing an insight into effective leadership styles.

2.3.1 Cultural classification of Laos

In the GLOBE study, the countries examined are grouped into ten clusters. The clusters are characterized by similar practices and values. The South Asia cluster includes India, Indonesia, Iran, Malaysia, Philippines, and Thailand. Laos can to some extent be compared to Thailand due

to similarities based for example on the fact that the country was under Thai rule before it became a French colony in 1893 (Central Intelligence Agency, 2022). Today, northern Thailand is home to approximately 20 million people ethnically closely related to the largest population group in Laos (Matas-Runquist, 2019, p.19).

Clusters have been used to assign countries that have not been analysed in the GLOBE study (Brodbeck, 2016; Mensah & Chen, 2013). Mensah and Chen classified Laos in the South Asia cluster (2013).

The cultural dimensions in South Asia are described as (GLOBE Project 2006).

- High scores for group collectivism (very group and family oriented).
- High power distance (power is not expected to be equally distributed among citizens, authority, power imbalance, status privilege, and social inequality are accepted).
- Relatively low scores for gender egalitarianism (male-dominated).

The other societal cultural dimensions, such as achievement orientation, future orientation, uncertainty avoidance and institutional collectivism, are rated in the medium range.

In terms of societal values (what society believes it should be), this cluster differs significantly in its orientation from its actual current cultural practices. Societies in this cluster desire a much higher level of achievement orientation and future focus. They desire much lower levels of power distance, but more rules and procedures to reduce the uncertainty of future events (i.e., they desire higher levels of uncertainty avoidance), and lower levels of male dominance and differences in gender roles. Group collectivism should remain high (Mensah & Chen, 2013).

2.3.2 Leadership styles in Laos

The results of the GLOBE study are used to propose effective leadership styles based on the suggested classification of Laos in the South Asia cultural cluster.

In the South Asian cluster, the leadership dimensions that contribute most to outstanding leadership include charismatic/value-based, humane-oriented and team-oriented leadership styles. Whereas the autonomous leadership style is most likely obstructive. The participative leadership style seems to be neither beneficial nor obstructive. Based on the GLOBE cultural classification discussed above the leadership styles most effective or negative for Laos can be seen as follows: leaders who are visionary, inspirational, have a high level of integrity and are willing to make personal sacrifices. They should also be able to successfully build teams by using their administrative and interpersonal skills to create cohesive work groups. These characteristics are consistent with the cluster's strong family and group orientation and high-power distance.

The previous findings on cultural values only provide information regarding expected leadership behaviors. The GLOBE study does not provide data on the extent to which actual leadership behavior differs from or corresponds to expected leadership behavior.

2.4 Research Gap

The two approaches described so far (the literature analysis and the identification of expected leadership styles via the cultural dimensions) indicate that the charismatic/value-based, team-oriented, and humane-oriented leadership styles are practiced and expected in Laos. Which of the three leadership styles is or should be the most pronounced cannot be assessed. However, it should be emphasized that, according to the literature review, integrity is an essential requirement for leaders.

Regarding participation, the results are not consistent. The participative leadership style was rated as beneficial, neutral, and obstructive. The literature review revealed that employees want shared decision-making. Practice shows all forms of participation and, at least in the banking sector, deviates negatively from employee expectations, which can affect leadership effectiveness.

3. Methodology

The empirical study was conducted by a researcher working with a microfinance institution in Laos. An important aspect of the study is that both the researcher and organization were interested in improving leadership competencies and identifying expectations and desires of the Lao employees. The respondents are managers in this organization. The microfinance organization employs approximately 80 workers and maintains 15 offices in various provinces in Laos.

The empirical study was carried out in the form of a descriptive study. The findings obtained will be compared with results from the literature in order to identify leadership styles that are fundamentally suitable for Laos and to provide managerial recommendations.

A structured questionnaire was designed to positively influence the response rate. In addition, the questionnaire was as simple as possible to avoid misunderstandings and to reduce translation errors.

The questions were based on previous studies (GLOBE, 2006; Northouse, 2019; Weibler, 2012; Yukl & Gardner, 2019) and adapted for this study. The questionnaire was divided into three main blocks:

- Current leadership behavior
- Expected leadership behavior
- Demographics

The focus was on leadership styles already evident and also desired including to what degree participation is both evident and expected. Additionally, participants were asked which skills leaders already have, which are needed and what support is required.

The questionnaire consists of ratings on a 5-point Likert scale and two open-ended questions. The open-ended questions serve to include aspects that were not covered by means of the closed questions and to compare the results: A description of a role model leader and also a self-assessment of their own competencies.

The questionnaire was translated into the Lao language. For reasons of time and cost, a second translator was not used for back-translation. Two Lao staff members from a project in Laos reviewed the translation and tested the survey. The Lao version of the questionnaire was used to create the online survey with Unipark (www.unipark.de).

Middle and senior managers were selected as the survey sample. Most of the interviewees belong to middle management. They are both led and leading and are thus familiar with both perspectives. A total of 25 managers (approximately 30% of the microfinance organization's staff) were identified as participants. Participants were invited directly by email. The email in the Lao language with the link to the survey explained the background of the survey, the voluntary nature of participation, and the confidentiality of the data.

Of the 25 participants contacted, 24 responded, meaning a 96% response rate, although sometimes only 23 participants answered a question. There was no incentive for participation. On average, the response time required was just under 43 minutes.

The questionnaire survey in online format and the standardized coding of the open-ended questions contribute to the objectivity of the implementation and the evaluation. Due to the fact that the survey was conducted online, the promise of anonymity of the answers is more credible for the respondents than in face-to-face interviews. This has a positive effect on the reliability of the answers). To what extent answers are nevertheless influenced by social desirability cannot be determined.

The description of current leadership styles was conducted in the form of a self-assessment by the managers. Self-assessment is generally more positive than external assessment (John & Robins, 1994; McKee et al., 2018), but is dependent on various factors. Peer assessments may also be biased (McKee et al., 2018).

4. Survey results and evaluation

Of the 24 managers of the microfinance organization who responded to the questionnaire, 79% are women and 21% are men. The microfinance organization thus has a high proportion of women in management. This coincides with the Global Gender Gap Index (World Economic Forum 2021), which shows that the economic participation of women in Laos is also high in international comparison.

In terms of age structure, half of the participating managers are younger than 30. Almost 46% are between 30 and 39 years old and only one person is older than 40. The percentage of the young population is very high in Laos (Central Intelligence Agency, 2022), which is also reflected in the age structure of the executives.

Two-thirds of survey participants have a bachelor's degree. 21% have a diploma, about 8% have a school-based vocational education (TAFE, Technical and Future Education), and one person has completed vocational training.

One of the managers has been employed by the microfinance organization for less than one year and another person for at least 10 years. The majority of managers (38%) have been working at the microfinance organization between six and nine years. 29% have been with the microfinance organization between three and five years and 25% between one and two years.

4.1 Leadership styles practiced

Respondents were asked to describe the leadership style on the basis of typical behaviors. These were then grouped into the leadership styles mentioned in the GLOBE study.

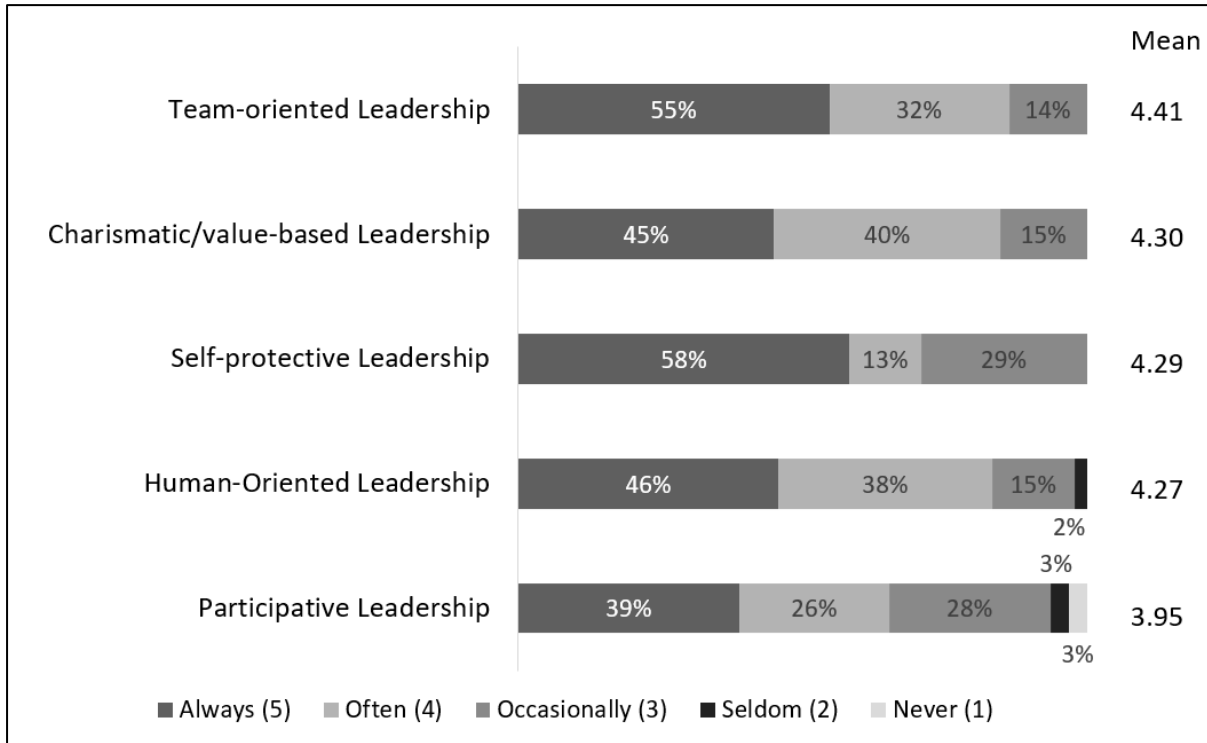
Overall, the participants selected the "Always" category most frequently (Fig. 3). The subsequent categories ("Often," "Occasionally") were each selected less frequently. Exceptions are the self-protective and participative leadership styles. Here, the "Occasionally" category was selected more frequently than the "Often" category.

The team-oriented leadership style, with a mean score of 4.41, is the most commonly practiced leadership style at the microfinance organization. The charismatic/value-based, self-protective, and humane-oriented leadership styles show almost identical mean values of 4.3; 4.29 and 4.27, respectively. According to the survey, the least practiced leadership style is the participative leadership style with a mean value of 3.95.

Team-oriented leadership style is one of the leadership styles that can be applied across cultures (House et al., 2004) and is coherent with the culture dimension of group collectivism in Laos.

Because of the high-power distance in Laos (see Section 2.3.1), it is understandable that the participative leadership style is least practiced.

Figure 3 Current leadership styles in the microfinance organization



Source: Own results

4.2 Expected leadership styles

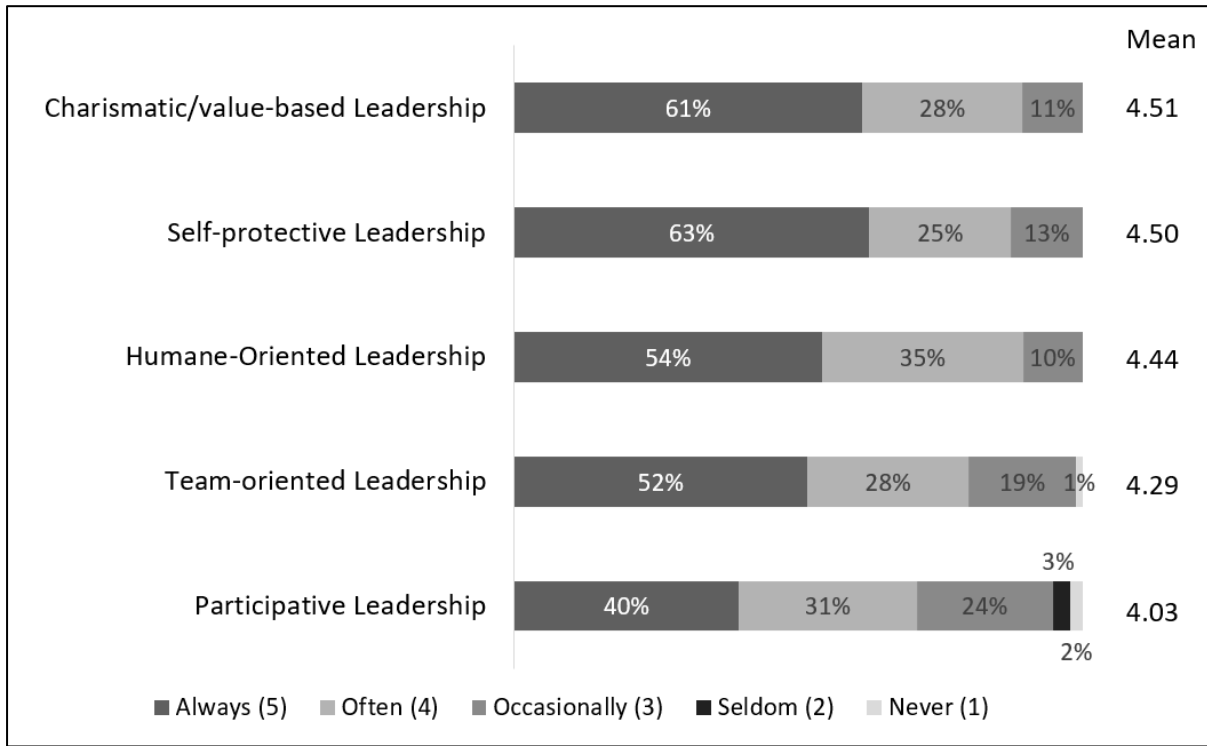
Responses to the expected behaviors were also mapped to the leadership styles identified in the GLOBE survey (Fig. 4).

All five leadership styles considered are expected and considered effective in Laos. The charismatic/value-based and self-protective leadership styles have the same mean value of 4.5. The least expected leadership style is the participative leadership style (lowest mean value: 4.03). For the team-oriented leadership style, there is an outlier in the "Never" category.

The charismatic/value-based leadership style is considered a leadership style that can be used effectively in all cultural settings (House et al., 2004). Surprisingly, team-oriented leadership style shows the lowest mean score among the leadership styles. Compared to the other leadership styles, more leaders rated this leadership style as "occasionally," as well as 1% in the "never" category. This is due to the reduction in responses to "give instructions" and "ensure a good working atmosphere". This can be interpreted as greater self-organization. Given the cultural value of a low power distance (see Section 2.3.1), a greater importance of the participative leadership style would be expected. In chapter 4.4 and 4.5, participation will be examined in more detail.

In the open-ended question, 90 behaviors were named as expected with an average of almost 4 behaviors per participant (Fig. 5). After assigning the leadership behaviors to the leadership styles according to the GLOBE study, behaviors of the charismatic/value-based leadership style are listed most frequently, followed by the team-oriented and the humane-oriented leadership styles. No response refers to the autonomous or self-protective leadership styles.

Figure 4 Expected leadership styles in the microfinance organization.



Source: Own results

Figure 5 Result open question expected leadership styles in the microfinance organization.

Leadership Style	Number of entries (total 90)	Examples
Charismatic/value-based Leadership	22	Vision/Inspiration (10), Role Modeling (8), Goal Setting (4), Self-Sacrificing (4)
Team-oriented Leadership	20	Team Building (14), Work Organization (6)
Humane-Oriented Leadership	10	Listening (7), Training (3)
Participative Leadership	3	Take into account the opinion of team members (3)
Self-protective Leadership	0	

Source: Own results

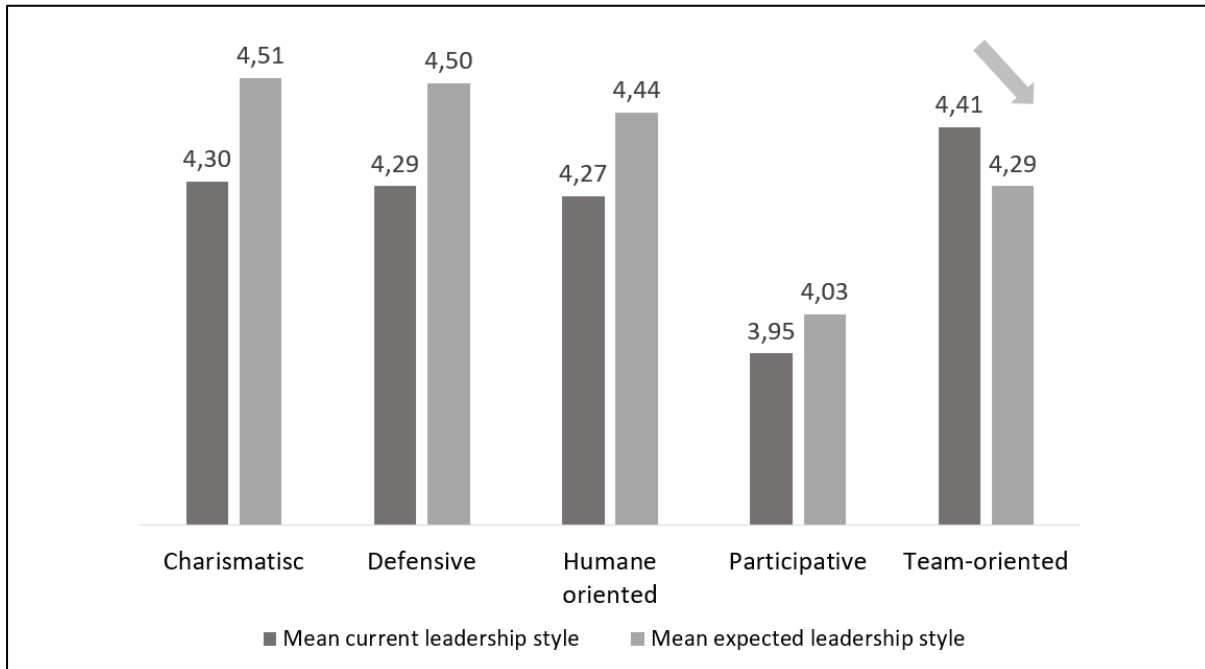
As mentioned, both charismatic/value-based and team-oriented leadership styles can be used effectively across cultures (House et al., 2004). It is therefore not surprising that attributes of these leadership styles were mentioned most frequently. Interestingly, no behavior was listed in the open question that can be assigned to the self-protective leadership style - in contrast to the closed question (Fig. 4) where the self-protective leadership style is of great importance. Indirect

communication or face-saving is not limited to leadership situations but is part of Laos culture and can therefore be found in all areas of life. For this reason, it is possible that the respondents did not make any association with leadership.

4.3 Current and expected leadership behavior

When the leadership styles are considered according to the GLOBE classification and the expected leadership styles are compared with the currently practiced leadership styles, the team-oriented leadership style is somewhat reduced (see Fig. 6). For all other leadership styles, the future expected mean value is higher than the current mean value, so that the team-oriented leadership style, which is the most frequently practiced leadership style, falls to second last place. Therefore, it can be expected that the charismatic/value-based and self-protective leadership styles in particular will be more pronounced, followed by the humane-oriented leadership style. The expected increase is lowest for the participative leadership style.

Figure 6 Current versus expected leadership styles in the microfinance organization.



Source: Own results

Some changes in the behaviors in detail are interesting. An increase is particularly desired for ‘Trust in team members to achieve challenging goals’, as well as ‘Delegation to experienced team members’. Furthermore, greater consideration is to be given to ethical aspects, the professional development of employees is to be supported, and an inspiring vision is to be shared. The expectation of greater consideration of ethical aspects may be due to the high Corruption Perception Index for Laos (Transparency International 2021).

Three behaviors should be reduced according to the survey. These include ‘paying attention to a good working atmosphere’, ‘explaining decisions’ and ‘giving instructions’. Surprisingly, good working climate is not only said to be reduced compared to the other leadership behaviors, but actually reduced itself. This seems to be in contradiction with the cultural values of collectivism and should be further investigated.

It is interesting to note that employee development shows a greater increase than leadership development. This may be due to the fact that employee development has been weak in the past.

In summary, it should be noted that across all strands of analysis - including the classification of Laos in the South Asia country cluster, as well as the literature analysis - the charismatic/value-based, the humane-oriented and the team-oriented leadership styles were identified as effective leadership styles. A ranking could not be defined here. The self-protective and autonomous leadership styles do not seem to be as relevant, which should be explored further. The participative leadership style is discussed in more detail below.

4.4. Practiced level of participation

In this section, the five items of the questionnaire that relate to different degrees of employee participation will be analyzed in more detail.

The items are ordered according to the degree of participation. Most frequently practiced is consultation with employees (see Fig. 7). This has the highest mean value of 4.39. The second highest mean value of 4.25 is for shared decision making.

Explaining decisions also has a mean value of 4.21, as does giving instructions. Managers are least likely to practice delegation (experienced team members decide). This shows the lowest mean value of 2.96. It is the only leadership behavior for which all response categories were used.

The response behavior regarding giving instructions shows a slight parabolic shape. Lao culture is determined, among other things, by a high practiced power distance (section 2.3.1), which suggests a more frequent use of leadership behavior giving instructions. However, a high proportion of executives, just under 30%, only "occasionally" apply this leadership style. Approximately 85% of the leaders who only occasionally give instructions are women under the age of 30. The leadership behavior of consulting with employees could indicate an unconscious compromise between these poles. Given the power distance, it is not surprising that delegation is the least practiced.

When participative leadership behaviors are considered within each demographic category, it appears that males and those aged 30-39 show leadership styles giving instructions and explaining decisions. Whereas women and those under 30 most frequently consult with employees and implement joint decision-making.

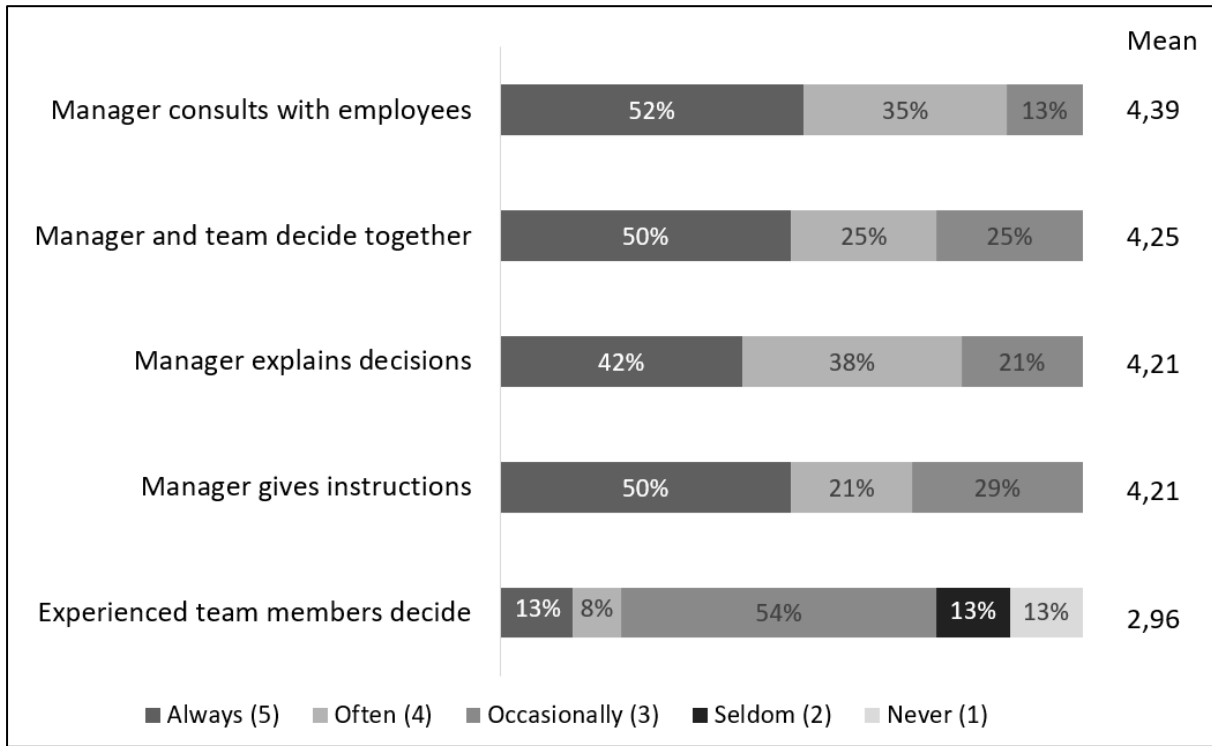
4.5 Expected level of participation

Figure 8 shows expected levels of participation. Analogous to the level of participation practiced, the microfinance organization executives expect consultation with employees to be the most frequently practiced level of participation. This shows the highest mean value (4.46). This degree of participation is followed by joint decision-making with employees (mean 4.38). Delegation is expected the least. This shows the lowest mean value (3.38), followed by giving instructions with the second lowest mean value (3.75).

4.6 Current and expected degree of participation

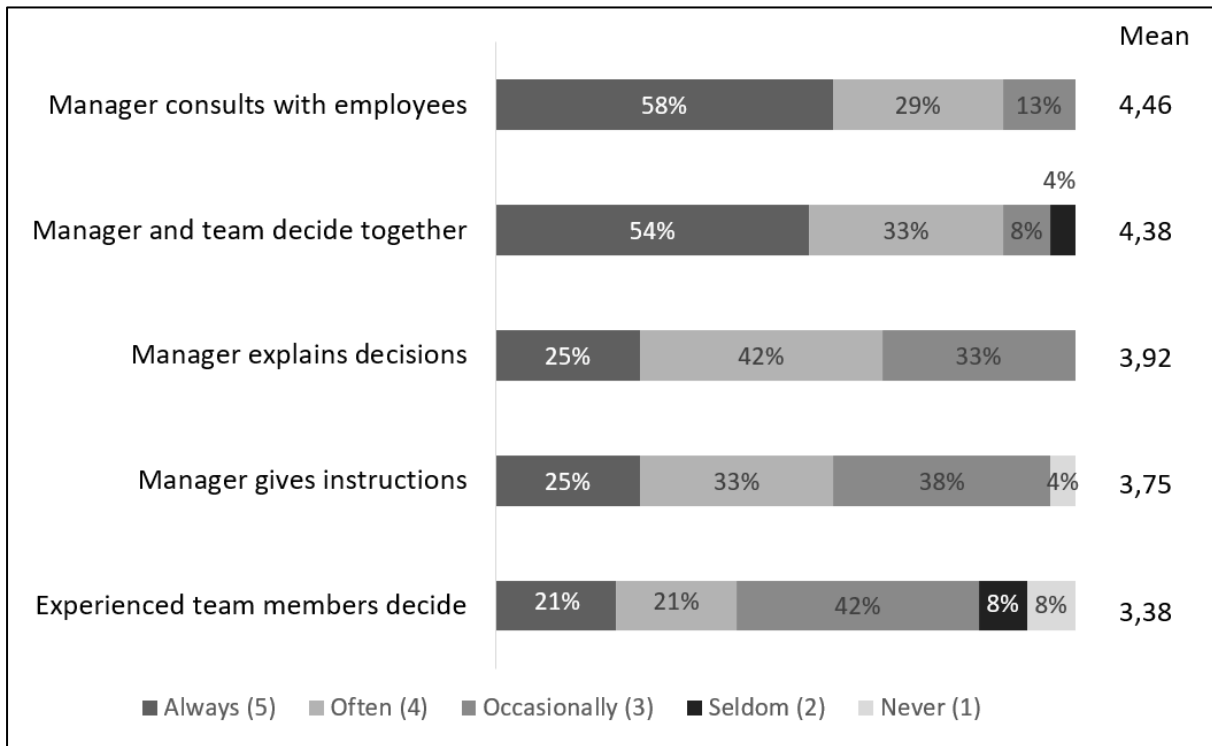
A comparison of the relative frequencies of the expected degree of participation with the degree of participation practiced. This shows that there is hardly any change in explaining decisions. In contrast, greater use of a consultative and joint decision-making leadership style is expected. A reduction is desired in the less-participatory leadership style 'giving instructions'. Initially surprisingly, the participative leadership style of delegating is also less expected in the future.

Figure 7 Current participative leadership behavior at the microfinance organization.



Source: Own results

Figure 8 Expected participative leadership behavior at the microfinance organization



Source: Own results

The high-power distance practiced in Laos contrasts with the cultural value of low power distance (Section 2.3.1). Accordingly, a democratization of leadership may be expected. This is a development process that requires that employees have the necessary competencies and requires a corresponding investment of time. It is therefore understandable that currently delegation is expected to be less.

In summary, it can be stated that, within the framework of the empirical study, the inclusion of employees' opinions is most desired, followed by joint decision-making. Within the literature review, shared decision-making is preferred. It should be noted that the level of participation is determined by other aspects such as organizational culture, the sector, and the competence and motivation of the workforce, so further research is needed to determine the influencing factors.

5. Recommendations

In order to lead as effectively as possible in Laos both the literature review as well as the questionnaire indicate the value of the charismatic/value-oriented leadership style. Despite the limitations of a small-scale study, initial recommendations can be formed which can be further developed and analysed in future research. In particular, leaders should trust the team to achieve challenging goals, take ethical aspects into account and communicate an inspiring vision. Basically, the charismatic/value-based leadership style can be learned. Starting point may be, for example, a 360-degree feedback or the creation of a leader prototype (Bass, 1990). However, individual coaching is recommended for the development of an appropriate leadership style.

The following concrete actions could be used to implement the desired leadership behavior:

- **Trusting team members to achieve challenging goals:** Reminding team members that they have achieved challenging goals in the past or breaking them down into smaller sub-goals can increase confidence that goals will be achieved.
- **Consideration of ethical values:** Leaders should show integrity fitting to their role-model function. This was expressed in the literature review as well as in the open question of the empirical study. The compatibility of corporate values and the personal values of employees should be taken into account as early as the recruiting process. Furthermore, it is especially important in an environment of high corruption to communicate values consistently.
- **Communicating an inspiring vision:** The basic prerequisite is the existence of an appealing vision. Further, leaders should consistently communicate the vision, as well as relate goals and activities to the corporate vision so that team members are clear about the purpose of their tasks (Yukl & Gardner, 2019).

Leaders should increase the participation of their team members to lead effectively and to positively influence team members. In both the literature review and the empirical study, respondents expressed a desire for greater participation. In the context of the literature analysis, participation was desired in the form of joint decision-making. In the context of the empirical study, managers expect consultation with employees or joint decision-making.

This leadership behavior belongs to the humane-oriented leadership style. In Laos, the actual average length of schooling is only 5.3 years (United Nations Development Programme, 2020), meaning qualified employees are scarce for companies in Laos. Accordingly, employee development was also the second most frequently called for element in the literature analysis.

6. Summary and conclusion

According to current research, leadership is more effective when it meets the expectations of employees (Lord et al., 2020; Stock-Homburg & Groß, 2019). For this reason, the question of what leadership styles are practiced in Laos, and what leadership styles are expected, was explored. Since little is known about leadership in Laos and in order to get a picture as objective as possible, three different approaches were taken. First, an analysis of the limited existing literature on leadership in Laos was given and then Laos was compared with the GLOBE cultural comparison studies and the leadership styles that are potentially effective for Laos were identified based on the Culturally Endorsed Implicit Leadership Theory. An empirical study was then conducted at a microfinance institution in Laos.

According to the literature review and empirical study, the team-oriented, humane-oriented, and charismatic/value-based leadership styles are used in Laos, and aspects of the team-oriented leadership style were mentioned most frequently. In the case of the microfinance organization, the self-protective leadership style is also practiced. Since indirect communication is part of Lao culture and a component of the self-protective leadership style, it is plausible that the self-protective leadership style is generally used in Laos. However, further research is needed to verify this.

The charismatic/value-based leadership style is the most expected leadership style - for all three approaches mentioned above. The humane-oriented and team-oriented leadership styles are also desired. These three leadership styles are both practiced and expected. The self-protective leadership style has different connotations in the literature review and the empirical study. For example, it is expected in the microfinance organization and has a similarly high value as the charismatic/value-based leadership style, whereas the self-protective leadership style is judged to be more of an obstruction in the literature analysis. Further research is needed to determine in which situations the self-protective leadership style contributes to effective leadership and in which it does not.

Participation is the leadership style in Laos that is both least practiced and least expected. Accordingly, it shows the lowest mean value in the empirical study. Nonetheless, this leadership style was analyzed in more detail to determine if there are discrepancies between the actual and expected degrees of participation. In principle, all degrees of participation are evident. In the microfinance organization, the most practiced degree of participation is consultation with employees and the least delegation by managers. This coincides with the expectations, with the expected mean values in each case being slightly higher than the mean values of the practiced leadership behaviors. At the same time, the managers expect a reduction in giving instructions and explaining decisions, so that a development towards democratization of leadership can be identified. These expectations are consistent with the results of the literature review.

These results on expected leadership behaviors can add value to practice, as companies operating in Laos can lead more effectively by using the appropriate leadership styles.

7. Limitations

This scientific work has the following limitations:

- In this study, Lao culture was identified indirectly through the GLOBE study rather than directly through fieldwork.

- The response behavior shows clear acquiescence, the tendency to content-independent approval, whereby depth of information was lost, so that differences in the evaluations are smaller.
- At the microfinance organization, only managers were surveyed. Due to access issues, ordinary employees' expectations of their managers were not included in the determination of effective leadership style.
- The small-scale study reflects limitations in sample and sample size.

8. Outlook

Since leadership in Laos is still largely unexplored, there are numerous potential areas of research connected to this research. These include the inclusion of Laos in comparative culture studies to provide a more detailed description of Lao culture. In addition, the existing work can be extended to other sectors, providing a more comprehensive picture of leadership in Laos. Regarding the culture-based self-protective leadership style, there is a lack of insight into which situations the leadership style is considered beneficial and when it is considered a hindrance.

The influence of organizational culture on the effectiveness of leadership styles has not yet been studied in Laos (Aycan et al., 1999). This was also not addressed by any of the studies in the literature review.

So far, research on leadership has been conducted mostly in developed countries. Assuming that leadership contributes to the success of a company (Rosenstiel & Nerdinger, 2020), research on leadership in less developed countries can contribute to more effective leadership in these countries and thus to an improvement in company success and ultimately to the development of these countries.

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